

still growing . . .

Peel Village, Brampton, a thriving community of schools, churches, commercial development, new industry and miles of all types of housing. This "NEW TOWN" concept stands today as a model for others.

AR13

Over the past thirteen years, our management team remains one of the very few who have profitably developed and built an entirely new community from the acquisition of raw farm land to the present stage of development . . . and more to come!



**PEEL-ELDER** LIMITED  
ANNUAL REPORT — 1971



# corporate directory

## General Counsel and Solicitors

Holden, Murdoch, Walton, Finlay  
& Robinson

2400 Bank of Nova Scotia Building,  
44 King Street West,  
Toronto 105, Ontario, Canada

## Auditors

Dunwoody and Company,  
Chartered Accountants

25 Adelaide Street West,  
Toronto, Ontario, Canada

## Share Capital

Common Shares listed for trading  
on the following Stock Exchanges:

Toronto Stock Exchange  
Canadian Stock Exchange  
American Stock Exchange  
Pacific Coast Stock Exchange

## Transfer Agents

The Canada Trust Company

110 Yonge Street,  
Toronto, Ontario, Canada

Registrar and Transfer Company

34 Exchange Place,  
Jersey City 07302, N.J., U.S.A.

## Head Office

2400 Bank of Nova Scotia Building,  
44 King Street West,  
Toronto 105, Ontario, Canada

## General Office

170 Kennedy Road South,  
Peel Village, Brampton, Ontario, Canada

## Directors

P. C. Finlay, Q.C.

Toronto, Ontario

A. H. Honsberger, B.Sc.

Brampton, Ontario

S. L. Jaske

Toronto, Ontario

Charles F. Watson

Brampton, Ontario

K. A. Roberts, M.D.

Toronto, Ontario

## Audit Committee

K. A. Roberts, M.D.

A. H. Honsberger, B.Sc.

S. L. Jaske

## Officers

K. A. Roberts, M.D.

Chairman of the Board

Charles F. Watson

President and Managing Director

P. C. Finlay, Q.C.

Secretary-Treasurer

C. Donald Brooks, P.Eng.

Vice President, Land Development

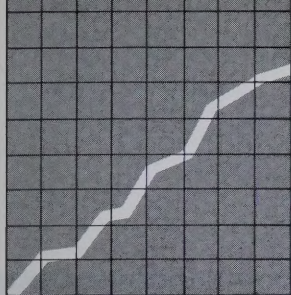
Donovan R. Lytle, C.A.

Comptroller

**PEEL-ELDER** LIMITED  
PLANNING FOR PEOPLE





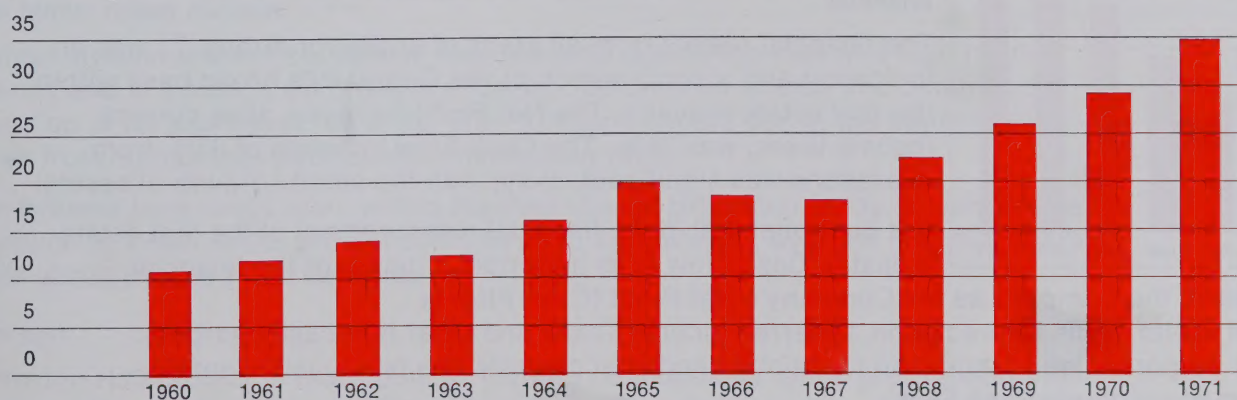


## financial highlights

|                                                                     | 1967<br>\$ | 1968<br>\$ | 1969<br>\$ | 1970<br>\$ | 1971<br>\$ |
|---------------------------------------------------------------------|------------|------------|------------|------------|------------|
| Net Profit before Income Taxes and after providing for Depreciation | 832,526    | 1,338,858  | 1,970,582  | 1,948,002  | 2,402,512  |
| Per Share                                                           | 1.12       | 1.55       | 1.81       | 1.77       | 2.11       |
| Net Profit after Current Income Taxes                               | 781,148    | 1,046,504  | 1,342,582  | 1,435,202  | 1,938,512  |
| Per Share                                                           | 1.05       | 1.21       | 1.23       | 1.30       | 1.70       |
| Net Profit after Deferred Income Taxes                              | 537,148    | 786,504    | 939,582    | 985,202    | 1,134,312  |
| Per Share                                                           | .72        | .91        | .86        | .90        | 1.00       |
| Cash Flow from Operations                                           | 839,052    | 1,232,850  | 1,564,851  | 1,695,285  | 2,244,912  |
| Per Share                                                           | 1.13       | 1.42       | 1.44       | 1.54       | 1.97       |
| Average Number of Shares Outstanding                                | 743,955    | 865,833    | 1,087,708  | 1,100,207  | 1,137,707  |

### TOTAL ASSETS

\$ Millions





## president's report



K. A. Roberts, M.D.

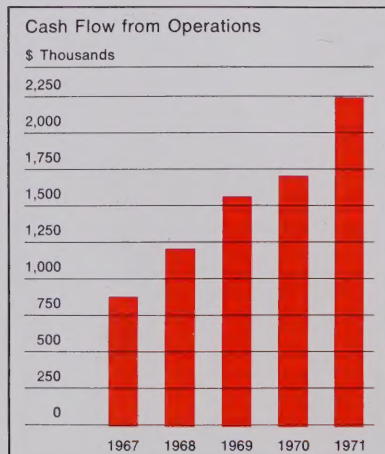


Charles F. Watson

### report to shareholders

Your Directors are pleased to submit the 1971 Annual Report. This has been a year of change, a year of progress, a year of growth and profit. In total the most successful year in the history of your Company.

Your Company's endeavours cover the whole spectrum of the real estate industry and it is now just beginning to realize the potential of its large inventory of undeveloped lands purchased many years ago at now, non-speculative costs.



Our "Land Bank" Company is now into the seventies, a dynamic era, and from the program that was previously established we should exceed our objectives in asset growth along with an accelerated growth in cash flow and profit.

### financial

The financial results from all areas of endeavor during '71 was an indication and a confirmation of the Company's broad base within the real estate industry. The Net Profit increase, after current income taxes, was 35%. The Cash Flow increase of 32% from operations was significant, along with the steady growth of assets.

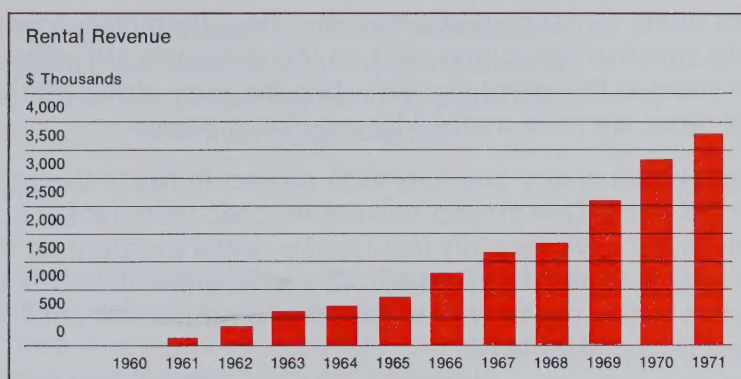
It is our belief that in the financial measurement of the real estate industry, Cash Flow is as important a gauge of the financial

progress of the Company as the Company's Net Profit (Cash Flow is the sum of Net Profit, Depreciation, Deferred Income Taxes and other non-cash charges). It is our corporate long range plan to maintain and to accelerate this previously planned program of corporate Cash Flow.



### rental revenues

The Company continues to increase the revenue from income producing properties. In the accompanying chart you will note an orderly ten year growth pattern which should help to eliminate any erratic swings in revenue in our other areas of activity. This solid base of revenue producing properties has mortgages in varying amounts repayable up to the year 2000 with an average interest rate of 7.7%.



We are concentrating our efforts on a program to accelerate this revenue producing program by the construction, leasing and operation of additional properties. In most instances these will be constructed on lands already owned by the Company that now by their particular zoning and increased value have their own built-in equity, the end result being the ease of mortgaging and the potential net return to the Company on this built-in equity.

### shopping centre division

Expansion and growth is the key word within this division. Shoppers' World Brampton is now undertaking a major expansion that will include Simpsons Limited, Canada's major department store chain, along with other retail merchants. This expansion program, upon its opening in August of '72, will greatly enhance the Centre's draw within its trading area. The end result should be an increase of revenue to the Company both in its fixed rental rate, along with the increase from its percentage clauses within the existing leases. It is worthy of note that this Centre, along with the Peel Village Square, had no permanent mortgage financing at year end.

Shoppers' World Danforth has now been operating for ten years and continues to be a dominant force within its trading area. We are presently undergoing an extensive study of its enlargement and the review of the ten year leases that are now being brought into line with present day conditions. The future of this Centre, after this review and enlargement, will greatly enhance the future profitability of the Company.

### multiple family rental division

This rental division within Peel Village has operated during the year at a high rate of occupancy and in addition we brought a further 160 units on stream and commenced construction of an additional 160 units. The Company should derive the benefit of the revenues from both of these additions commencing 1972.

It is our present long range plan, within the Peel Village Brampton lands, to commence construction of a new rental project every three to four months, over the next five years, on lands already owned and debt free.

### graydon hall

The Graydon Hall project in metropolitan Toronto continues its rental program on the remainder of its existing 888 suites. Your Company, like others, has experienced some



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## president's report

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softness in the rental market within this area, therefore, it was deemed advisable to withhold construction during 1971 on the remaining 197 suites within this project. With an improvement in the rental market within the area, along with the softening in mortgage interest rates, we have applied for a building permit.

The Forest Hills luxury condominium project in North Central Toronto continues to sell its first 255 units. This project has not reached its potential however. To accelerate its occupancy we have recently instituted a rental program on the "high tower" which should enable us to finalize these 255 suites, either on a rental or sale basis, during 1972. In addition to this project it is anticipated a further 258 units will be under construction in Forest Hills during 1972.

### planned communities

Peel Village Brampton continues to expand in all areas of development (industrial, commercial, shopping centre and residential). With the future dollar value potential greater than the dollar volume expended during the past 13 years, this Peel Village expansion will be a continuing source of revenue and profit from these areas of development for many years into the future.

Peel Village Highlands — our new planned community in the heart of Ontario, offers an exciting growth potential to the Company. This community has a potential population in excess of 25,000 people upon its completion.

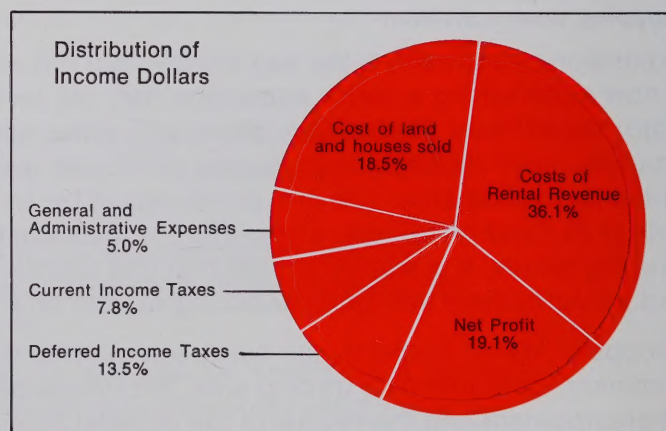
The experience the Company has gained during the past 13 years in developing Peel Village Brampton assures the success of this new project. The development agreement was recently signed with the municipality for the first phase of this development which will consist of approximately 1,100 housing units along with commercial, shopping centre and other developments.

The planning, zoning and engineering has now been completed and we are out to public tender for the awarding of the contracts for roads and services. Upon the Company accepting the tenders and the granting of various approvals a very extensive building and selling program will commence. This planned program is based upon the potential of the area and its fulfillment will have a most dramatic and long range affect on the future growth and profit of the Company.

### deferred income taxes

In accordance with standard accounting practice within the industry we have included in the financial statements since 1967 a provision for deferred income taxes.

Payment of these amounts does not commence until after 1984 and can be further deferred through additional acquisition or construction of rental properties.





The retention of the aggregate sum of \$2,691,000, as indicated in the 1971 financial statements, has and will conserve working capital for the development and growth of income producing properties. These income producing properties not only provide a broader base of profit and cash flow but also should effectively increase the shareholders' equity.

#### financial strength

Your Company has operated profitably over the past years, this being the result of rigid financial controls covering estimating, costing, purchasing and scheduling, the end result being a very firm corporate financial base which has been further strengthened by the extension of a seven million dollar long term line of credit from our corporate bankers. In addition to the above, in February of 1972, based upon their evaluation of the Company's assets, its future growth potential and past performance, two investors have each subscribed for 250,000 common shares of Treasury Stock at \$20.00 per common share (which was then above the quoted market price) for an aggregate total of ten million dollars.

The Investors are —

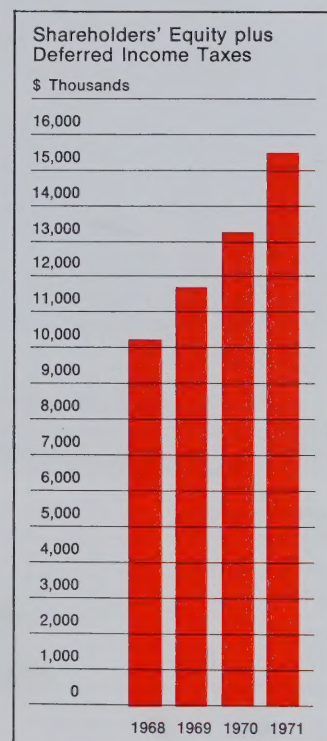
Simpsons Limited of Toronto, Canada. A Company operating as one of Canada's leading retail department stores for 100 years that enters its second century of a major expansion program by the opening of their store in Shoppers' World Brampton. Simpsons are also associated with Sears Roebuck of Chicago in mail order business and its large chain of department stores through Simpsons-Sears Limited.

Hambro Corporation of Canada Limited, a member of the international Hambros merchant banking group of London, England. This is one of the largest merchant banking groups in the world, with more than a century of successful operations.

#### outlook

Peel-Elder's senior staff of skilled, energetic and enthusiastic people have competed profitably in all phases of the real estate industry over the past years. During this period we have built a firm foundation of assets, cash and expertise that will assist us to move aggressively forward into a new era — a decade of building activity — a decade of potential and opportunity in fulfilling the needs of an expanding population.

We as a Company are constantly analyzing areas of growth — proposals of acquisition or joint venture where our procedures and know-how can assist in producing a successful venture. It is our continued intention to adopt a flexible attitude of moving management capacity and capital to those real estate fields which offer the greatest growth potential for the Company.



Respectfully submitted,

Charles F. Watson,  
President and Managing Director.





# our shopping centres division continues to E-X-P-A-N-D!



And expansion is the word! We're building a dynamic rental revenue company. Major construction activity currently underway at Shopper's World Brampton is being spearheaded by the building of a full line Simpson's Department Store scheduled to open in early August 1972.

On reaching its ultimate size, Shoppers' World Brampton will have in excess of 130 retail stores, including three supermarkets and two major department stores.

Shoppers' World Danforth is also scheduled for major expansion and along with Peel Village Square will contribute substantially to increasing revenue.



Top, shows work in progress at Shoppers' World Brampton.

Simpson's Department Store well underway.

At right, Peel Village Square. Annual Carol Sing at Shoppers' World.







The above artist's conception graphically illustrates Shoppers' World Brampton. This magnificent Centre already boasts many of Canada's leading merchants. Department Stores, Food, Fashion, Gifts, Boutiques and Specialty shops, plus Theatre and Restaurants.

Shoppers' World climate-controlled malls mean one-stop family shopping.

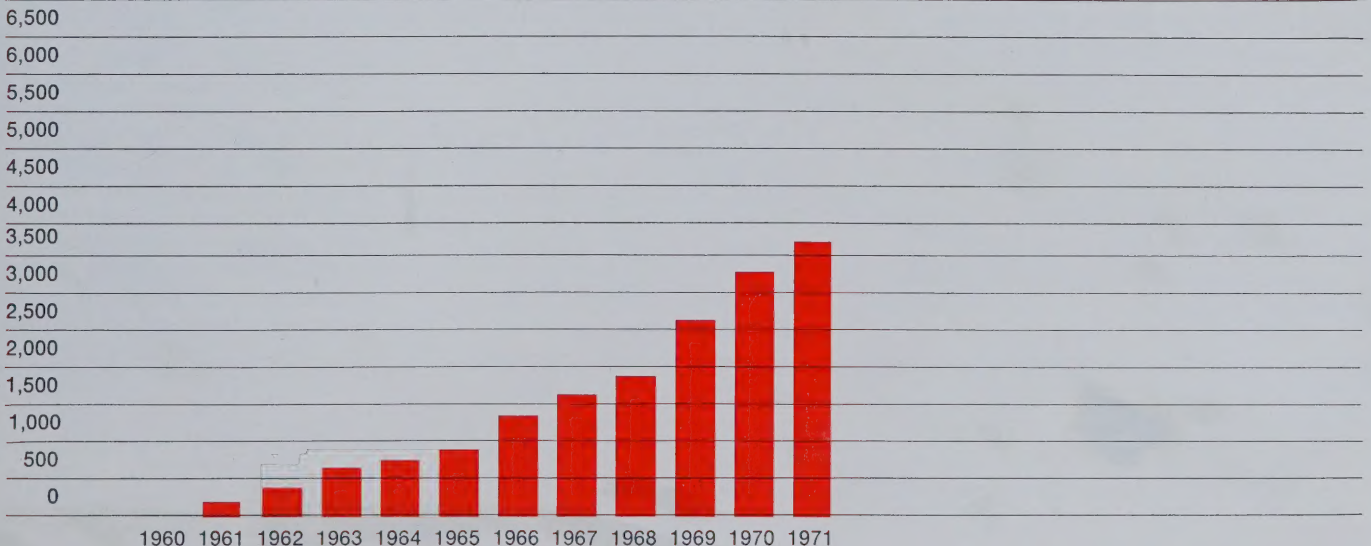
Shoppers' World Centres mean revenue-producing growth!



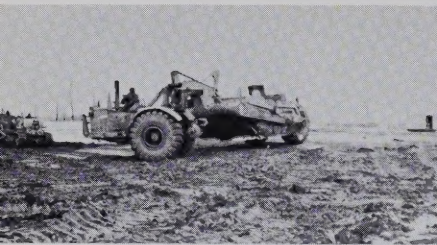
Aerial view of Shoppers' World Danforth.

## RENTAL REVENUE

\$ Thousands







# we're building another city!

## Peel-Village Highlands

'on stream' in 1972



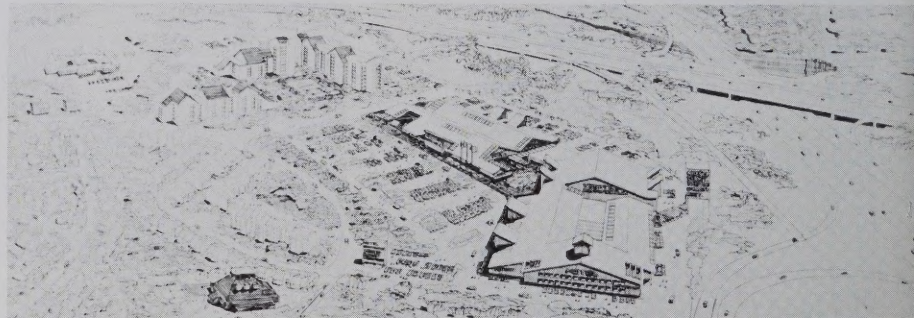
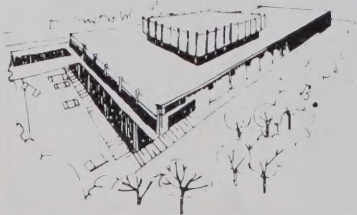
Aerial view shows the natural beauty of the Peel Village Highlands site, Preston, Ontario.

Overlooking the scenic Grand River, construction slated for 1972.

Strategically located within 100 mile radius of 35% of Canada's Consumer Market, Peel Village Highlands is amply served by major expressway systems for mid-western U.S.A. to Toronto, Montreal and Eastern Canada.

### GROWTH BY PLAN NOT BY CHANCE.

Good things don't just happen, Peel Village Highlands will be built to a master plan, ensuring a good, clean, healthy environment.



### HOUSING OF ALL KINDS

Single family homes, townhouses, high rise apartments, all built to quality standards; it is estimated that a new city of 25,000 people, with a bricks and mortar value in excess of 200 million, will arise on the site.

Extraordinary shopping facilities, advanced, dynamic designs. Climate-controlled, one-stop family shopping, the regional centre will be a splendid community focal point, here you'll find practically all the finest stores, shops and cultural events you're ever likely to need. Neighbourhood pavilions will also be conveniently located and will contain small service stores, beauty salons, etc.







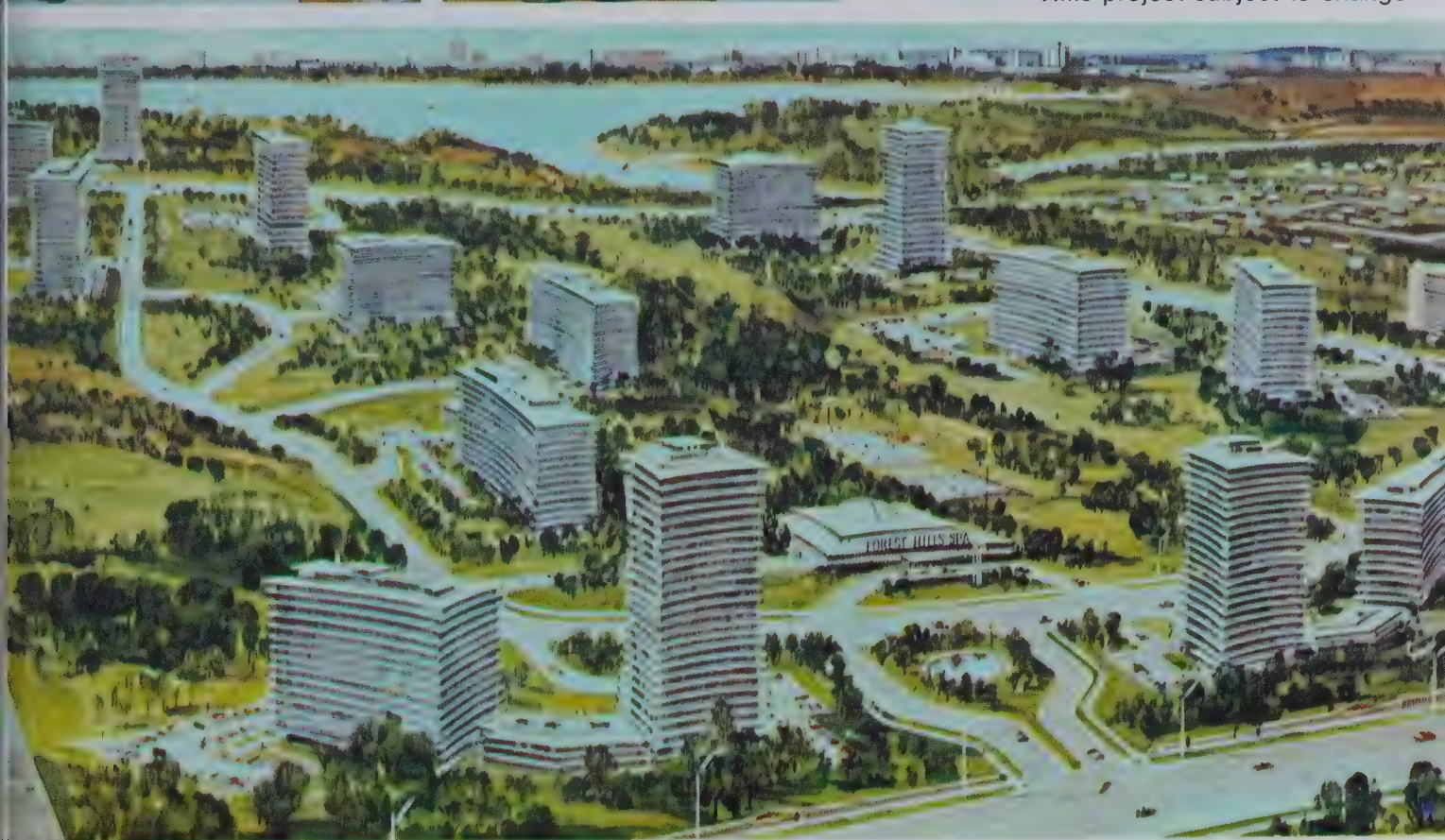
# forest hills - luxury condominium living a great new community - growing daily!

From the first exciting view of Forest Hills' architectural beauty to the magnificence of the apartment homes . . . the atmosphere breathes luxury. Forest Hills in "North Central Toronto", a fulfillment of dreams, a new dimension in living.

Pictured are some of the many happy owners of Forest Hills in their own homes.



Artist's conception of Forest Hills project subject to change.





# Peel Village - Brampton major expansion

In keeping with our policy of constant expansion and development, Peel-Elder is actively engaged in construction of additional stores at Shoppers' World, Brampton, these along with Simpson's Department Store are scheduled for completion early August 1972.

Immediately adjacent to the now existing Shoppers' World Brampton there will also be constructed several thousand High and Low Rise Apartments, Townhouses, along with a Motel-Hotel Convention Centre and an impressive Office Building.

The photographs amply illustrate work now in progress at  
PEEL-VILLAGE BRAMPTON  
"the totally planned community".











# from the past... we swing to the future!

Peel Village, now firmly established, looks ahead with great confidence to even more productive years of growth.

The expertise gained over the past years in all phases of real estate development combined with today's "know how" assures a steady growth programme.







# strong drive generates greater apartment rental income!

From existing rental properties, Peel-Elder has developed a steady cash flow. A continual growth plan ensures increased occupancy, profitably.

Graydon Hall Manor, Toronto, will shortly be the site of another 197 unit high rise.

Revenue-producing apartments in Brampton are also currently under construction.

The Courtleigh, Toronto.  
Town Houses, Brampton.  
Graydon Hall Manor.  
Olympic sized pool at Graydon Hall Manor.







# clearing the way for a profit-oriented future!

Men, materials, machines, clear the way for exciting new projects. A new era of expansion is fast erupting, gathering momentum daily . . . stepping up the production of cash flow.

Dynamic planning is a way of life at Peel-Elder.

Our current programme includes:

Peel Village, Brampton —  
NEW APARTMENT BUILDINGS  
UNDER CONSTRUCTION.

Shoppers' World, Brampton —  
MAJOR EXPANSION  
30 ADDITIONAL STORES &  
MAJOR DEPT. STORE.

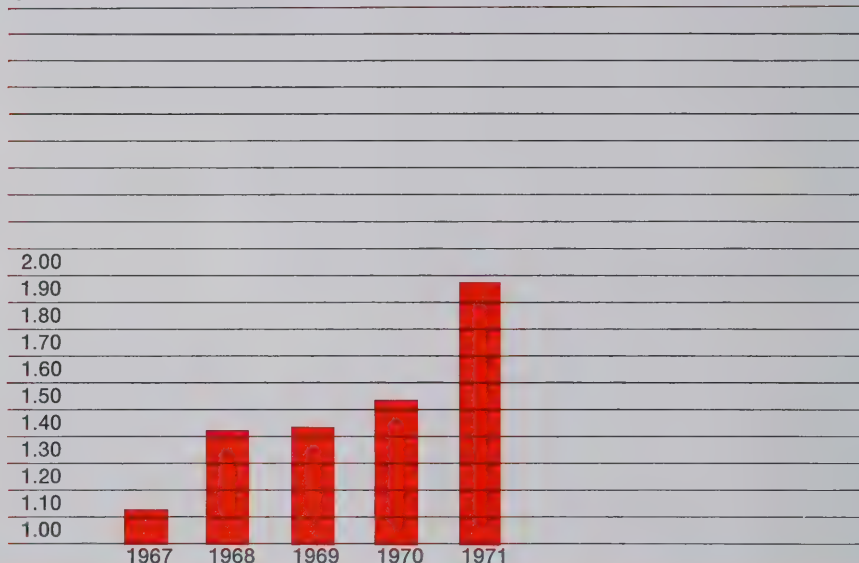
Forest Hills, N. Central Toronto —  
NEW GROUND BEING BROKEN  
LATER THIS YEAR.

Graydon Hall Manor, Toronto —  
NEW GROUND BEING BROKEN  
FOR ANOTHER 197 APT. UNITS.

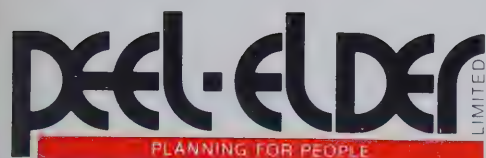
Peel Village Highlands, Preston —  
A NEW CITY 'ON STREAM'  
THIS YEAR.

. . . and more to come!

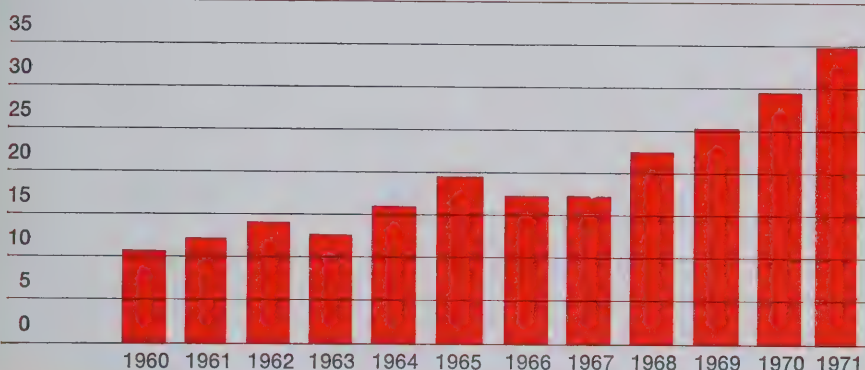
Cash Flow Per Share





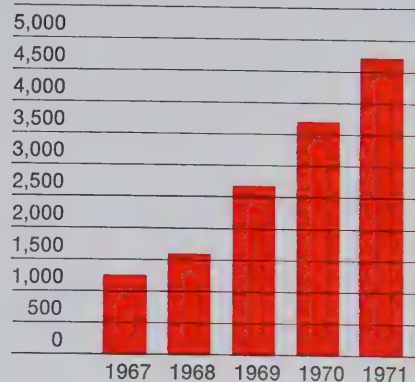


**Total Assets**  
\$ Millions



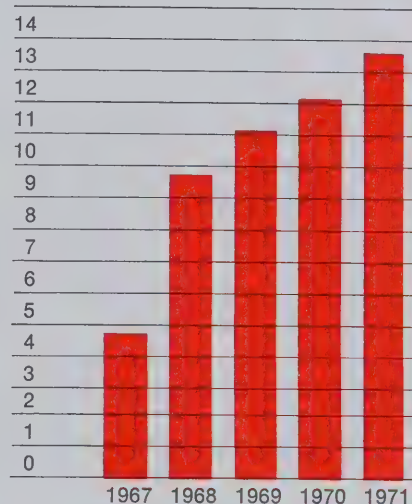
**Retained Earnings**

\$ Thousands



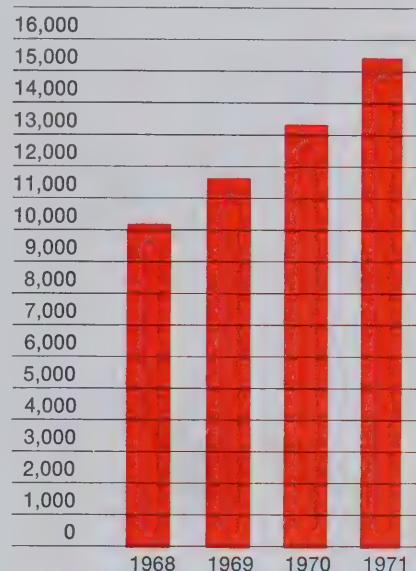
**Shareholders' Equity**

\$ Millions



**Shareholders' Equity plus  
Deferred Income Taxes**

\$ Thousands



### PEEL-ELDER LIMITED, SUBSIDIARIES AND AFFILIATES PRO-FORMA BALANCE SHEET

Accepted accounting procedure and securities commission rules prevent formal consolidation of 50% owned ventures. The following Pro-Forma Balance Sheet summarizes the Company's position if its joint ventures were consolidated and gives effect to the issuance of 500,000 shares of Peel-Elder Limited Common Stock authorized 23 February, 1972.

#### ASSETS

|                                                                |                     |
|----------------------------------------------------------------|---------------------|
| Cash .....                                                     | \$10,581,903        |
| Accounts Receivable .....                                      | 462,409             |
| Inventories, at cost .....                                     | 14,511,251          |
| Marketable Securities, at cost .....                           | 607,353             |
| Mortgages Receivable .....                                     | 2,257,848           |
| Prepaid Expenses .....                                         | 447,532             |
| Rental Properties, at cost less accumulated depreciation ..... | 37,519,067          |
| Investments, at cost .....                                     | 173,901             |
| Fixed, at cost less accumulated depreciation .....             | 112,946             |
| Gold Mining Properties, at nominal value .....                 | 2                   |
|                                                                | <u>\$66,674,212</u> |

#### LIABILITIES

|                                                   |                     |
|---------------------------------------------------|---------------------|
| Bank Advances .....                               | \$ 3,105,079        |
| Accounts Payable .....                            | 1,564,522           |
| Income Taxes .....                                | 299,706             |
| Provision for Construction & Land Servicing ..... | 852,858             |
| Mortgage Advances on Construction .....           | 4,636,491           |
| Tenants' Deposits .....                           | 327,178             |
| Mortgages & Notes Payable .....                   | 25,398,132          |
| Deferred Income Taxes .....                       | 2,104,000           |
| Outside Interests in Joint Ventures .....         | 4,714,671           |
| <b>Shareholders' Equity</b> .....                 | <u>23,671,575</u>   |
|                                                   | <u>\$66,674,212</u> |

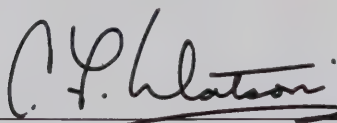


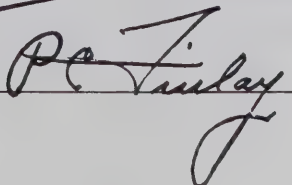
# peel-elder limited and subsidiary companies

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 1971

| ASSETS                                                                                                            | 1971                | 1970                |
|-------------------------------------------------------------------------------------------------------------------|---------------------|---------------------|
| Cash .....                                                                                                        | \$ 580,674          | \$ —                |
| Accounts Receivable .....                                                                                         | 401,474             | 811,141             |
| Inventories of land and housing, at cost .....                                                                    | 2,957,948           | 2,107,382           |
| Marketable Securities, at cost<br>(Market Value \$487,601, 1970 – \$808,778) .....                                | 607,353             | 604,697             |
| Mortgages Receivable .....                                                                                        | 2,167,848           | 1,487,673           |
| Prepaid Expenses and Deposits .....                                                                               | 278,284             | 277,903             |
| Rental Properties, at cost less<br>Accumulated Depreciation<br>of \$1,368,724 (1970 – \$1,079,785) – Note 2 ..... | 22,297,953          | 19,830,238          |
| Investments in Joint Enterprises – Note 3 .....                                                                   | 5,221,332           | 3,296,166           |
| Fixed, at cost less Accumulated<br>Depreciation of \$93,614 (1970 – \$86,567) .....                               | 49,598              | 47,499              |
| Gold Mining Properties, at nominal value .....                                                                    | 2                   | 2                   |
|                                                                                                                   |                     |                     |
|                                                                                                                   | <u>\$34,562,466</u> | <u>\$28,462,701</u> |

Approved on behalf of the Board:

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director



**LIABILITIES****1971****1970**

|                                                           |                   |                   |
|-----------------------------------------------------------|-------------------|-------------------|
| Bank Advances – Note 4 .....                              | \$ 2,300,000      | \$ 2,297,387      |
| Accounts Payable .....                                    | 945,139           | 740,837           |
| Income Taxes .....                                        | 297,948           | 275,884           |
| Provision for Land Servicing and House Construction ..... | 449,443           | 254,780           |
| Mortgage Advances on Construction .....                   | 1,780,777         | 654,362           |
| Tenants' Deposits .....                                   | 158,405           | 129,445           |
| Mortgages and Notes Payable – Note 5 .....                | 13,092,179        | 10,872,443        |
|                                                           | <u>19,023,891</u> | <u>15,225,138</u> |
| DEFERRED INCOME TAXES – Note 6 .....                      | <u>1,867,000</u>  | <u>1,062,800</u>  |

**SHAREHOLDERS' EQUITY****Share Capital – Note 7**

Authorized

2,000,000 shares, no par value

Issued and Fully Paid

1,137,707 shares .....

Retained Earnings .....

8,940,038

8,577,538

4,731,537

3,597,225

13,671,57512,174,763\$34,562,466\$28,462,701



# peel-elder limited and subsidiary companies

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 DECEMBER 1971

## NOTE 1 PRINCIPLES OF CONSOLIDATION

All assets, liabilities and operating results of the Company and its wholly owned subsidiaries have been included in the consolidated financial statements. All companies have fiscal years ended 31 December.

The following companies are included in the consolidated financial statements:

PEEL-ELDER LIMITED  
SHOPPERS' BOWLING LANES LIMITED  
PEEL VILLAGE DEVELOPMENTS CO. LIMITED

resulting from the amalgamation on 1 April 1971 of

PEEL VILLAGE DEVELOPMENTS CO. LIMITED  
PEEL VILLAGE HOMES LIMITED  
LAKESHORE TOWERS OF PEEL LIMITED  
ELDER BUILDERS' SUPPLIES LIMITED

Comparative figures for 1970 have been reclassified to conform with current presentation.

## NOTE 2 DEPRECIATION POLICY

**Rental Properties Buildings** – sinking fund method based on an estimated useful life of 40 years which will write-off the cost of the buildings in a series of equal annual installments plus an interest factor of 5% compounded annually.

**Apartment Equipment** – 10% or 15% straight line according to classification.

**Other Equipment** – 20% or 30% reducing balance according to classification.

**Shopping Centre Fixtures** – 4% straight line.

## NOTE 3 INVESTMENTS – JOINT ENTERPRISES

It is the Company's policy to account for investments in joint ventures and 50% owned companies on the equity basis. The Company and its subsidiary participate in the following ventures:

Peel Village Highlands, Preston, Ontario – 50% joint venture.

Graydon Hall Estates Limited, Toronto, Ontario – 50% ownership.

Shoppers' Cinema Limited, Peel Village, Brampton, Ontario – 50% ownership.

Mineral Prospect in Nova Scotia – 51% interest with options on an additional 24%.

## NOTE 4 BANK ADVANCES

Bank Advances are secured by assignment of construction mortgage commitments.

## NOTE 5 MORTGAGES AND NOTES PAYABLE

Mortgages and Notes are repayable in varying amounts to the year 2000 and bear an average interest rate of 7.7%.

Principal amounts due on the mortgages and notes in the next five years are:

|        |            |
|--------|------------|
| 1972 — | \$ 214,800 |
| 1973 — | 1,220,000  |
| 1974 — | 233,000    |
| 1975 — | 222,000    |
| 1976 — | 223,000    |

A Note Payable in the amount of \$1,000,000 is secured by Common Shares of Graydon Hall Estates Limited, owned by a subsidiary.

A Note Payable in the amount of \$1,541,978 is secured by an unregistered collateral mortgage on a rental property.

## NOTE 6 DEFERRED INCOME TAXES

Taxes deferred as a result of tax allowances greater than the amount of depreciation recorded in the accounts during the years 1968 to 1971 .. \$1,285,000

Tax deferral allowed on portion of profit on realty sales ..... 461,000

Tax deferral allowed for preliminary expenditures on joint venture to be developed in 1972 ..... 121,000

\$1,867,000

Taxes of \$824,000 deferred in 1967 and prior years have not been recorded in the financial statements.

If there are no further acquisitions of rental properties, no payments relating to deferred corporation taxes arising from depreciation differences will be required until 1984. Future acquisitions would extend the period of deferment, while disposition of rental properties would shorten the period.

## NOTE 7 EMPLOYEES' STOCK OPTIONS

As of 8 January 1971 an employee's stock option granted 3 April 1968 to purchase 37,500 shares at a price of \$9.666 per share was exercised for cash.

Under a stock option plan for key employees 55,000 unissued shares of the Company have been allocated, exercisable at \$12.50 per share.

## NOTE 8 SUBSEQUENT EVENT

On 23 February 1972 the Company accepted offers for 500,000 treasury shares at \$20.00 per share issuable subject to the approval of regulatory bodies.

## NOTE 9 SUPPLEMENTARY INFORMATION

The following amounts have been included in operating expenses:

|                                                              |            |
|--------------------------------------------------------------|------------|
| Interest on long-term indebtedness .....                     | \$ 880,686 |
| Provision for depreciation .....                             | \$ 306,400 |
| Aggregate direct remuneration of eight Senior Officers ..... | \$ 136,123 |

## NOTE 10 CONTINGENT LIABILITY

The Company is guarantor of construction bank advances to Graydon Hall Estates Limited in the amount of \$850,000. These advances are secured by assignment of mortgage commitments obtained under the National Housing Act.

## NOTE 11 EARNINGS PER SHARE

Computed on the average number of shares outstanding

|                              | 1971      | 1970      |
|------------------------------|-----------|-----------|
| Before                       |           |           |
| Income Taxes ....            | \$2.11    | \$1.77    |
| After Current                |           |           |
| Income Taxes ....            | 1.70      | 1.30      |
| After Deferred               |           |           |
| Income Taxes ....            | 1.00      | .90       |
| Number of shares outstanding | 1,137,707 | 1,100,207 |

Exercise of stock options outstanding – Note 7 – and issuance of 500,000 shares subsequent to 31 December 1971 would have no material dilution of earnings per share.



# peel-elder limited and subsidiary companies

## DUNWOODY & COMPANY

*Internationally*

LASSER, HARMOOD BANNER & DUNWOODY

*Chartered Accountants*

Montreal  
Toronto  
Winnipeg  
Calgary  
Vancouver  
Cornwall  
Trenton  
Oakville  
Welland  
Fort William-  
Port Arthur  
Dryden  
Fort Frances  
Kenora  
Swan River

25 Adelaide Street West Toronto 105, Canada Telephone 362 2351 Cable: Dunwoody, Toronto

### AUDITORS' REPORT

*Internationally*  
United States  
Great Britain  
Australia  
South Africa  
Germany  
France  
Switzerland  
Israel  
Eire  
Isle of Man  
Bahama Islands  
Mexico  
Argentina  
Uruguay  
Ghana  
Kenya  
Nigeria

TO THE SHAREHOLDERS OF

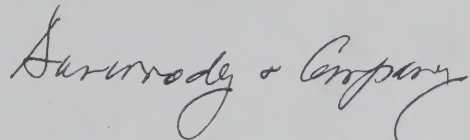
PEEL-ELDER LIMITED.

We have examined the consolidated balance sheet of Peel-Elder Limited and subsidiary companies as at 31 December 1971 and the consolidated statements of retained earnings, operations and source and use of cash for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the company and its subsidiaries as at 31 December 1971 and the results of its operations and the source and use of its cash for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Correspondents*  
Netherlands  
Philippines  
Taiwan

Toronto, Ontario  
22 March 1972



CHARTERED ACCOUNTANTS.



